

Exhibit C to Answer

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April 15, 2019

Ramesh Sawhney And Nina Bhadrwaj
45 Oak Bend Rd
West Orange, NJ 07052-4962

Re: Insured: Ramesh Sawhney And Nina Bhadrwaj
Policy Number: 001447338001
Claim Number: 047519006886
Date of Loss: 2/25/2019
Writing Company: Chubb Insurance Company Of New Jersey

Dear Ramesh Sawhney and Nina Bhadrwaj:

This letter is to advise you of the coverage determination of Chubb Insurance Company Of New Jersey with respect to your claim under policy number: 001447338001. We acknowledge that on 2/25/2019, we received a claim for damage to your property located at 45 Oak Bend Road in West Orange, New Jersey. It was reported that wind had caused trees and tree limbs to fall and damage your home.

As you are aware, Chubb Insurance Company Of New Jersey inspected this loss on 2/26/2019. Subsequent to that inspection, Chubb Insurance Company Of New Jersey engaged the services of a professional engineering company, Applied Engineering & Technology, P.C., to assist us in determining the origin and cause of the damages. Harold Greve with Applied Engineering & Technology, P.C., inspected the location on 3/6/2019 and his report was submitted to you via email on 3/17/2019 and is enclosed with this correspondence.

After you made us aware of other damages not documented previously, Chubb Insurance Company of New Jersey and Harold Greve of Applied Engineering & Technology, P.C., inspected this loss again on 3/29/2019. His supplement report is attached with this correspondence.

Harold Greve provides the following conclusions in his reports:

- The large oak tree that fell onto the courtyard side of the building caused multiple roof penetrations and damage to the roof. New water leaks had occurred where the roof was damaged. The roof slate and the water-resistant barrier should be replaced at the roof damaged areas.

- The second level bedroom where the tree impact caused there to be a hole completely through the exterior wall should be repaired by replacing the wood slat sheathing, the slate roof, the exterior wall studs, and interior wall finish.
- Within the attic, there are two known locations where water is now penetrating the attic space. A water leak occurred at the ridge of the main building where missing capstones were damaged. These capstones should be replaced. A hole was created through the roof and through the attic wall which should be repaired by replacing the stone slate roof, the slat sheathing and the interior attic insulation that was damaged by the water leakage.
- At the second level stair exterior wall the plaster wall finish is loose and is cracked. This plaster wall delamination is due primarily to long-term water infiltration and deterioration of the clay brick backup wall. The tree impact may have created a new water leak; however, the clay brick deterioration is due to long-term moisture infiltration at this location. The brick was improperly fired and used as infill wall at the interior living space. When the poorly fired brick has become subjected to long-term water infiltration, it deteriorated to powder and caused the plaster wall finish delamination.
- The Plexiglas roof units should be replaced at the freestanding greenhouse where an individual tree limb fell onto the greenhouse roof.
- The second level study wall cracking is not related to the tree impact vibration. This room is located at the far corner of the building. The cracking is random at interior walls and the two exterior walls (one of which is not facing the courtyard). The bathroom adjoining this study did not have similar interior wall cracking even though this bathroom is closer to the building impact region. AET has concluded that these cracks are preexisting conditions not observed by the owner until recently. The most probable cause for these cracks is that there has been long-term cracking and peeling of the paint possibly due to improper installation of the paint finish with multiple layers.
- The second level bedroom exterior wall and ceiling hole is caused by the tree impact.
- The front door cracking and closure problems is related to the tree impact.
- The basement foundation walls are not damaged by the tree impact.
- There are two noticeable depressions in the cobblestone courtyard as shown in photographs 1-2. These depressions are caused by long-term settlement of the cobblestone pavers and they are not caused by or exacerbated by the tree impact.

Unfortunately, your policy does not provide coverage for damages caused by faulty construction, gradual deterioration, wear, tear, or structural movement. These exclusions were found to be the cause of conditions in the office room and driveway.

However, your policy does provide coverage for ensuing damages to your home from the tree fall. I have attached our building consultant's report for covered damages to your home totaling \$145,367.62. Please share this estimate with your contractor. Should he or she have any concerns about pricing or scope, please direct them to me prior to beginning work. We will work with your contractor to figure out any discrepancies. In addition to this report, we are waiting for our art experts report on valuation of damages to artwork. Once this is received, we will forward a copy to you and issue payment for these damages.

At this time, we call your attention to your **Masterpiece Policy** under **Deluxe House Coverage**. The coverage is found on page B-1 and states:

This part of your Masterpiece Policy provides you with coverage against all risk of physical loss to your house unless stated otherwise or an exclusion applies.

"House" means the main one-family or two-family dwelling at each New Jersey location with Deluxe House Coverage shown in the Coverage Summary.

We also call your attention to pages B-12 through B-14 under **Exclusions** which state:

These exclusions apply to your Deluxe House Coverage, including the Extra Coverages, unless stated otherwise.

The words "caused by" mean any loss that is contributed to, made worse by, or in any way results from that peril.

Gradual or sudden loss. We do not provide coverage for the presence of wear and tear, gradual deterioration, rust, bacteria, corrosion, dry or wet rot, or warping, however caused, or any loss caused by wear and tear, gradual deterioration, rust, bacteria, corrosion, dry or wet rot, or warping. We also do not cover any loss caused by inherent vice, latent defect or mechanical breakdown. But we do insure ensuing covered loss unless another exclusion applies.

Structural movement. We do not cover any loss caused by the settling, cracking, shrinking, bulging, or expansion of bulkheads, pavements, patios, landings, steps, footings, foundations, walls, floors, roofs, or ceilings except loss to glass that is part of a building, storm door, or storm window.

But we do insure ensuing covered loss unless another exclusion applies.

Faulty planning, construction or maintenance. We do not cover any loss caused by the faulty acts, errors or omissions of you or any other person in planning, construction or maintenance. It does not matter whether the faulty acts, errors or omissions take place on or off the insured property. But we do insure ensuing covered loss unless another exclusion applies. "Planning" includes zoning, placing, surveying, designing, compacting, setting specifications, developing property and establishing building codes

or construction standards. "Construction" includes materials, workmanship, and parts or equipment used for construction or repair.

We reserve all rights and defenses as outlined in the terms and conditions of the policy as well as those rights as defined by statute or law, including the right to maintain a Partial Denial for other reasons that a continued investigation might reveal.

We direct your attention to **POLICY TERMS** on page Y-5 of your policy **Masterpiece Policy** which states:

Legal action against us

You agree not to bring legal action against us unless you have first complied with all conditions of this policy. For property, you also agree to bring any action against us within two years after a loss occurs, but not until 30 days after proof of loss has been submitted to us and the amount of loss has been determined.

Chubb Insurance Company Of New Jersey reserves the right under the policy and applicable law to cite additional policy provisions and coverage defenses as may be appropriate. This letter should not be construed as a waiver of any known or unknown defense that we may have under the policy, nor does this letter waive or change any provisions or conditions in the policy. This letter is premised upon information we currently have available to us and upon the terms and conditions of the policy.

If you believe our decision is made in error, or without consideration of additional facts or information, of which we are not presently aware, please notify the undersigned and provide any additional information and documentation for our further review. Upon receipt of such information we will gladly review our coverage position and provide you with an additional explanation.

Pursuant to New Jersey Statute 17:29E-9, you may request claims decisions be reviewed by our Internal Appeal panel. Requests for review may be submitted in writing to:

Chubb North America Claims Attn: Internal Appeal Officer, Routing WB04B 436 Walnut Street Philadelphia, PA 19106	Phone: (800) 352-4462 Fax: (215) 640-2489 Email: NJAppeals@chubb.com
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If you have any questions, please contact the undersigned at wiliam.mccudden@chubb.com or 201-230-5825

Sincerely,

Michael McCudden
Claims Specialist

cc: IROQUOIS SERVICES CORP
P.O. BOX 1625
WHITEHOUSE STATION, NJ 08889



Policyholder or Claimant Notice New Jersey Internal Appeals Procedure

We strive to handle promptly and satisfactorily every claim that is submitted to us, but occasionally a dispute may arise between you and the claims representative responsible for handling the insurance claim that you submit. To address this possibility, Chubb has implemented an Internal Appeals Procedure to review and resolve disputes that may arise from the submission of claims (except those involving Personal Injury Protection or health insurance). Please take the following steps if you wish to have your claim reviewed by this process.

How the Internal Appeals Procedure Works

You may submit your dispute or complaint to:

Chubb North America Claims
Attn: Internal Appeal Officer, Routing WB04B
436 Walnut Street
Philadelphia, PA 19106

Phone: (800) 352-4462
Fax: (215) 640-2489
Email: NJApeals@chubb.com

The Internal Appeals Officer is available to assist you with information concerning this appeal process. The Internal Appeals Office may be able to resolve your appeal by contacting the manager of the claims representative handling your claim. In cases where this is not possible, the matter will be referred to our Internal Appeals Panel for review, and you will receive a letter from us advising you of the referral.

The Internal Appeals Panel is comprised of three senior claims officers who are not otherwise involved in the handling of your claim. The panelists will review all pertinent information concerning your claim and make a determination regarding resolution of your appeal.

Disposition of Appeals

Your appeal will be reviewed within 10 business days from the date we receive it and we will notify you of the disposition of your appeal within 3 working days of the date the Internal Appeals Panel makes a determination. If you are not satisfied with the resolution of your appeal, you may contact:

Office of Insurance Claims Ombudsman
New Jersey Department of Banking and Insurance
P.O. Box 472
Trenton, NJ 08625-0472
Telephone: 800.446.7467
Fax: 609.292.2431
E-mail: ombudsman@dobi.state.nj.us